

# CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Market Bancorporation, Inc.

Point of Contact:	Robert Vogel	RSSD: (For Bank Holding Companies)	1143904
UST Sequence Number:	750	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	2,060,000	FDIC Certificate Number: (For Depository Institutions)	1931
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	February 20, 2009	City:	Elko New Market
Date Repaid <sup>1</sup> :	N/A	State:	Minnesota

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Because we had the extra capital it gave us the ability to keep seeking loans we could make. Had we not had the cushion the CPP capital provided we would have been much less likely to seek out new lending relationships

## CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Market Bancorporation, Inc.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

we continued to make consumer and residential real estate loans, but the majority were small business related. We have also used SBA programs to help in making loans on CRE

☐ **Increase securities purchased (ABS, MBS, etc.).**

☐ **Make other investments.**

## CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Market Bancorporation, Inc.

☒ **Increase reserves for non-performing assets.**

In past years we did increase reserves substantially, although we would have done this whether or not the CPP capital had been used. Although we would have continued to have sufficient capital, our ratios are above those which would have existed without CPP, which allows us to make new loans

☐ **Reduce borrowings.**

☐ **Increase charge-offs.**

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

Market Bancorporation, Inc.

<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution.
Empty space for response	

<input type="checkbox"/>	Held as non-leveraged increase to total capital.
Empty space for response	

## CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Market Bancorporation, Inc.

### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We continued to lend as the market allows, whereas without the CPP funds we probably would have restricted lending because there would have been concern that if economic conditions continued to deteriorate our capital ratios may not have been where we needed them to be.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

Market Bancorporation, Inc.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

We felt much more comfortable extending credit and seeking new loans because we knew we had sufficient capital to support new lending

## CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Market Bancorporation, Inc.

**Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.**

he additional capital allowed us to continue encouraging lending because we had confidence in our capital levels to do so. We have also now added a new lending officer who's main responsibility is contacting businesses who may need credit because we are comfortable that our capital levels are sufficient even if the loan portfolio grows.